श्रीमती सविता शारदा: सभापति जी, यह बहुत ही महत्वपूर्ण प्रश्न है। हमारे प्रांत गुजरात के अंदर सूरत में एक लगभग सौ वर्ष पुरानी लाइब्रेरी है जोकि काफी खराब हालत में है। मैं ने उस के रंग-रोगन करने, मरम्मत करने के लिए कहा ताकि और पुस्तकें वहां लाई जाएं। तो मुझे बताया गया कि आप मरम्मत नहीं करवा सकती हैं, नई बनवा सकती हैं। इस तरह मरम्मत व रंग-रोगन करवाने के लिए वहां कोई हिसाब-किताब नहीं दे रहे हैं।

इसलिए मैं मंत्री महोदय से यह पूछना चाहती हूं कि सांसद कोष में से भी हमको यह कहा जाता है कि आप भवन निर्माण करवा सकते हैं, लेकिन इसके रख-रखाव के लिए या इसके मरम्मत करवाने के लिए या रंग-रोगन के लिए आपको पैसा नहीं दिया जाएगा तो एमपीलेड स्कीम में से हम किस प्रकार से व्यय कर सकते हैं?

श्री जगमोहन: सभापति जी, इसके दो आस्पेक्ट हैं। एक तो लाइब्रेरी की जो पोजीशन है वह ठीक नहीं है और अगर उसकी रिपेयर करनी है तो यह स्टेट गवर्नमेंट की रेस्पोन्सिबिल्टी है। अगर स्टेट गर्वनमेंट हमसे कोई हेल्प लेना चाहती है तो We are prepared to look into the old library which you are referring to. मेरे पास कोई रेफरेन्स हो तो मैं जरूर मदद करने की कोशिश करूंगा। Of course, we can act only through the State Government. So far as the MPLADS funds are concerned, as I have already explained, for carrying out repairs, renovation, purchase of books, construction of small libraries, we are requesting the Ministry of Statistics and Programme Implementation to kindly agree with this proposal so that a Member of Parliament can spend between Rs. 15—20 lakhs per year out of his or her fund for purchase of books, improvement of library facilities, creating better infrastructure and giving as much help to the library movement in the country as possible.

आन्ध्र प्रदेश को विश्व बैंक से ऋण

*683. **श्री भारतेन्दु प्रकाश सिंहल:** क्या वित्त मंत्री यह बताने की कृपा करेंगे कि:

(क) क्या विश्व बैंक आन्ध्र प्रदेश सरकार को 250 मिलियन डॉलर का वित्तीय कर्ज दे रह है;

(ख) क्या ब्रिटेन के डिपार्टमेंट फॉर इंटरनेशनल डेवलपमेंट (डी.एफ.आई.डी.) ने भी किसी अन्य राज्य को वित्तीय कर्ज देने की पेशकश की है;

(ग) क्या सरकार ने इन दोनों को कर्ज देने की अनुमति दी है; और

(घ) यदि हां, तो क्या राज्यों में विदेशी धन के प्रत्यक्ष आगमन से भारत की सम्प्रभुता और एकता को खतरा होगा?

वित्त मंत्री (श्री यशवन्त सिन्हा): (क) से (घ) एक विवरण सदन के सभा पटल पर रख दिया गया है।

विवरण

(क) भारत सरकार ने आन्ध्र प्रदेश सरकार के संरचनात्मक समायोजन कार्यक्रम के लिए 250 मिलियन अमरीकी डालर का ऋण (125 मिलियन अमरीकी डालर अन्तर्राष्ट्रीय पुनर्निर्माण तथा विकास बैंक से तथा 125 मिलियन अमरीकी डालर अन्तर्राष्ट्रीय विकास एजेंसी से) लिया है। इस ऋण को डिपार्टमेंट फॉर इंटरनेशनल डेवलपमेंट (डीएफआईडी) से 65 मिलियन पाउंड अनुदान लेकर बढ़ाया गया है।

(ख) डीएफआईडी ने भारत के किसी अन्य राज्य को ऋण प्रदान करने की पेशकश नहीं की है। डीएफआईडी वर्तमान में भारत को केन्द्रीय तथा राज्य परियोजनाओं के लिए ही अनुदान मुहैया करातू है।

(ग) भारत सरकार ने भारत के किसी राज्य को सीधे ऋण मुहैया कराने हेतु विश्व बैंक तथा डीएफआईडी को अनुमति प्रदान नहीं की है। भारत का संविधान किसी राज्य को भारत के राज्य क्षेत्र के बाहर उधार लेने की अनुमति प्रदान नहीं करता।

(घ) किसी विदेशी दाता एजेंसी से भारत के किसी राज्य को सीधे धन का अन्तर्प्रवाह नहीं होता। ऐसी किसी सहायता का कोई प्रश्न नहीं है जो भारत की सम्प्रभुता तथा एकता को खतरे में डाले।

World Bank loan to Andhra Pradesh

†*683. SHRI B.P. SINGHAL: Will the Minister of FINANCE be pleased to state:

(a) whether World Bank is extending a monetary loan of 250 million dollar to the Andhra Pradesh Government;

(b) whether the Department for International Development (DFID) of Britain has also offered to extend monetary loan to any other State;

(c) whether Government of India have permitted both of them to extend loans; and

(d) if so, whether the inflow of foreign money in States will endanger the sovereignty and unity of India?

THE MINISTER OF FINANCE (SHRI YASHWANT SINHA): (a) to (d) A Statement is laid on the Table of the House.

†Original notice of the question was received in Hindi.

Statement

(a) Government of India has taken a loan of US $ 250 million ($125 million from International Bank for Reconstruction and Development and $ 125 million from International Development Agency) for structural adjustment programme of Government of Andhra Pradesh. The loan was supplemented with a grant of Pound 65 million from the Department for International Development (DFID).

(b) DFID has not offered to extend any loan to any other State of India. DFID presently provides only grant assistance to India for Central and State Projects.

(c) The Government of India has not permitted World Bank and DFID to provide loans directly to any State of India. The Constitution of India does not allow any State to borrow ouside the territory of India.

(d) There is no direct inflow of money from any external donor agency to any State of India. There is no question of any such assistance endangering the sovereignty and unity of India.

SHRI B.P. SINGHAL: Sir, I would like to know from the hon. Minister what factors made Andhra Pradesh alone as the favoured State for these loans? Or, is it that the Government of India possesses the right to divert a part, or, whole, or, any part of the loans mentioned in the written reply to any other State? If "not', is that not tantamount to a certain degree of abrogation of the Union's sovereign right to take decisions freely as per its wisdom regarding financial matters? This is part (a) of my supplementary.

My second part of the supplementary is: Were there any preconditions put by any of the above three loan givers about the modalities of its allocation by the Central Government?

SHRI YASHWANT SINHA: Sir, multilateral and bilateral assistance by the agencies abroad is made available entirely to the Government of India. It does not go directly to the States. It goes through the Government of India. There is a well laid down procedure, according to which, the State Governments as well as the various Ministries of the Government of India come up with proposals which are then examined in the Ministry of Finance and, according to the procedure laid down, they are then posed either to the multilateral agencies or to the bilateral agencies. Negotiations are held under the leadership of the officials of the Government of India. And, finally, the loan is approved. Once the loan or grant is approved,the Government of India receives the amount.

And then, according to the formula, which has been in existence for many, many years, it is passed on to the State Governments. So, therefore, the question of multilateral or bilateral agencies bypassing the Government of India and giving assistance directly to any State Government does not arise and has not arisen.

The second issue, therefore, raised by the hon. Member is: Is the sovereignty of the country not being affected by this? I would say that it does not arise.

Sir, Andhra Pradesh has been a progressive State. They have come up with a large number of proposals for multilateral as well as bilateral funding. And it is true that they have a fair share of the assistance which is available from abroad. The Government of India is aware of the equity angle and, therefore, whenever we have a chance to interact, we try and persuade the State Governments to come up with project proposals so that those States can also take advantage of the assistance which is available from the multilateral and bilateral sources. I would like to reiterate that in this particular case, the question which the hon. Member has asked about the funding from the World Bank and the DFID of the U.K.; here, again, the same procedure has been followed. There has been no deviation from the procedure laid down. The Government of Andhra Pradesh has not gone out of the way to directly contact any of the agencies. Secondly, the loans which have been made available by the World Bank and the DFID are loans of structural nature. In this particular case, these loans or grants have been made available to the Government of Andhra Pradesh, through the Government of India, for fiscal improvement and for governance improvement. There are certain conditions which have been agreed upon among the three or four parties to this deal, namely, the DFID of Great Britain, the World Bank, The Government of India and the Government of Andhra Pradesh. But there is no conditionality or terms of this loan which is objectionable or which should not have been accepted.

DR. DASARI NARAYANA RAO: Sir, as per the statement laid by the hon. Minister, "125 million dollars from International Bank for Reconstruction and Development and 125 million dollars from the International Development Agency, and 65 million pounds from the Department of International Development." Subject to correction, the total, in Indian rupees, comes to Rs. 16,725 crores. This is not the correct figure. The present loan that has been given to the Government of Andhra Pradesh by the World Bank is Rs. 42,909 crores. So, I would like to ask the hon. Minister, from which bank has this gap of Rs. 26,284 crores been drawn and given to the Government of Andhra Pradesh.

The amount of Rs. 42,909 crores is under the guarantee of the Central Government. It means, if the State Government fails to repay, it is the responsibility of the Central Government to pay that, with interest. So, the second part of my supplementary is, if that is the thing, have you any machinery to see that how these funds were utilized. Were these funds used properly for the scheduled purposes? For every one crore of loan, they have to create an asset worth Rs. one crore. Have you checked the ratio of assets and liabilities of Andhra Pradesh? If so, what is the present ratio of assets and liabilities for this loan of Rs. 42,909 crores that has been taken by Andhra Pradesh?

SHRI YASHWANT SINHA: Sir, as I was explaining while replying to the question earlier, this loan is a loan for structural adjustment. The structural adjustment loan, as I tried to explain, is an assistance to the Government of Andhra Pradesh to improve its fiscal situation and the agencies of governance, the quality of governance. This has been done within the overall objective that once the fiscal situation of the State Government improves, they will be able to divert more funds for economic and social upliftment. This question of being able to spend more moneys on health, education, on various sectoral reforms like the power sector, forestry development, drinking water, etc. That forms the overall objective of the structural loan. The structural loan is an assistance that has been passed on. As far as the World Bank is concerned, the World Bank is the IBRD, International Bank for Reconstruction and Development, and there is the IDA, the international Development association, which is also ...(*Interruptions*).

DR. DASARI NARAYANA RAO: Sir, this not the answer that I had expected. (*Interruptions*) I think, most of the amount was diverted.(*Interruptions*).

SHRI YASHWANT SINHA: I will come to that. (*Interruptions*).

SHRI C. RAMACHANDRAIAH: Sir, this is second time that the hon. Member is making sweeping allegations (*Interruptions*).

DR. DASARI NARAYANA RAO: I can prove it with evidence. (*Interruptions*) I can bring evidence to prove it. (*Interruptions*) It is not my report. (*Interruptions*).

MR. CHAIRMAN: Let the Minister reply. (*Interruptions*).

SHRI YASHWANT SINHA: I will give replies to all his questions. (*Interruptions*).

SHRI C. RAMACHANDRAIAH: How can you discuss about the performance of the Government of Andhra Pradesh here? (*Interruptions*). What right have you got to do that? (*Interruptions*).

DR. ALLADI P. RAJKUMAR: The hon. Minister is competent enough to reply. (*Interruptions*) Sir, he is putting a political question. (*Interruptions*) He wants to draw political mileage out of it. (*Interruptions*) Sir, the world has recognised the performance of Andhra Pradesh. (*Interruptions*) Day before yesterday, in Switzerland, Shri James Wolfenson complimented Andhra Pradesh. (*Interruptions*) Sir, please allow me to put the next question, then, I will explain the things. (*Interruptions*).

MR. CHAIRMAN: Let the Minister reply.

SHRI YASHWANT SINHA: The hon. Member has put a series of questions, and I am trying to explain to the House, Sir, through you, all the relevant factors, which will form the reply of those series of questions that he has put. He talked about two loans from the World Bank. One loan is from IBRD, and the other loan is from the IDA. Now, the IDA loan is, actually, called 'credit' because it is not an interest bearing account. There is a service charge of 0.75 per cent, but, there is no interest which is charged on the IDA loan. The DFID of Britain has made a grant available. Now, the figures are: about $125 million from IBRD and $125 million from IDA, that forms the $250 million loan of the World Bank and 65 million pounds of grant from the DFID. This is the composition of this loan amount. And it has been jointly, as I said, negotiated for the purpose, which I have mentioned. Now, the hon. Member wanted to know if the Andhra Pradesh Government were to default, what will be the responsibility of the Government of India? I had already explained to the House, through you, Sir, that the loan is being taken by the Government of India. It is the Government of India which has taken the loan, and it is the Government of India which has signed the documents. The Government of India assumes the entire responsibility of this loan. We pass on as additional Central assistance, this amount, to the Government of Andhra Pradesh, as indeed, we do to all other State Governments. So, this World Bank loan has gone in the ratio of 70 per cent loan, 30 per cent grant, which is the accepted pattern of Central assistance to a State Government. That is the pattern that we follow also for multilateral assistance. The DFID is entirely a grant and, therefore, as some other grants have been treated, this $65 million, equivalent in terms of rupees, has been passed on, as a grant, to the Government of Andhra Pradesh. The hon. Member is absolutely right that the responsibility for repayment both of interest as well as of principal, rests with the Government of India. The Government of India will have to fulfil this commitment, and we will make sure that the Government of Andhra Pradesh fulfils its part of the commitment. I am not aware of any instance of default by States because the Government of India is giving loans to the States; the Government

of India is borrowing from multilateral agencies, bilateral agencies and giving loans to the States. And, we have a mechanism, at our disposal, to ensure that we collect our loan money from the State Governments. So, the question of that danger does not arise. As far as the question of indebtedness is concerned, and the utilization is concerned, the Government of India will be keeping a watch on the utilization of these funds, and it will make sure that the funds are spent for the purpose for which they are meant; and there are very clearly laid down guidelines. Annual guidelines have been laid down, and the Government of Andhra Pradesh has to follow those guidelines. And, we will make sure that they follow those guidelines. Sir, as far as the question of indebtedness of the Andhra Pradesh State is concerned, the indebtedness of the State Government has been taken into account in calculating this loan amount and it is meant to reduce indebtedness. It is only when indebtedness is reduced that the burden of interest payment is reduced, and the State will be able to divert more and more funds for social purposes and for developmental purposes. Otherwise, as I have been saying in this House, both for the Government of India as well as for the State Governments, we will be swamped and overwhelmed with the interest payment alone. Therefore, we are trying to get out of this situation, together with the State Governments, and this loan or this grant is a step in that direction.

DR. ALLADI P. RAJKUMAR: Mr. Chairman, Sir, first of all, I compliment the hon. Minister of Finance. Just three days back, I was in Switzerland. I was one of the invitees at the meeting of Parliamentary Network on World Bank. Sir, it was directly relayed. In that video conference, our colleagues, hon. ex-Chief Justice of India, Shri Ranganath Misra, Shrimati Sarla Maheshwari, and some other colleagues were also there. In that meeting, the key-note address was given by Mr. James Wolfenson. In his key-note address, he mentioned about the coordination between the Parliamentary Network on World Bank and World Bank, and how it will be directly attached to the constituencies for their development activities. While saying that we are funding South Africa, India, he said that, I am proud to say that—in India, Andhra Pradesh is the progressive State which is doing a lot of development activities. In that meeting, wherein 50 countries and 110 Parliament Members participated, he clearly mentioned this thing. This was the compliment that was given by the President of the World Bank. Mr. Chairman, Sir, I would like to tell my friend, Dr. Dasari Narayana Rao, that he should feel proud that a dynamic Chief Minister is there in Andhra Pradesh. The World Bank has recognised this. Today, the fact that many loans are being given to Andhra Pradesh means some developmental activities are taking place there. They will not give such loans easily. Our development is our asset...(*Interruptions*)...

MR. CHAIRMAN: You put the question...(*Interruptions*)...

DR. ALLADI P. RAJKUMAR: Sir, I am putting...(*Interruptions*)... Why I am saying this is, because, Dr. Dasari Narayana Rao should be proud of our Chief Minister. He should set aside the political differences...(*Interruptions*)... We can fight over these things during the election time...(*Interruptions*)...

DR. DASARI NARAYANA RAO: Sir...(*Interruptions*)...

SHRI C. RAMACHANDRAIAH: You are totally against the development of the State ...(*Interruptions*).. Whenever you put a question, you take it against the interests of the State...(*Interruptions*)...

DR. DASARI NARAYANA RAO: Sir ...(*Interruptions*)...

DR. ALLADI P. RAJKUMAR: They are not able to digest it, because they always have a negative attitude ...(*Interruptions*)...

श्री रूमान्दला रामचन्द्रय्या: आप बोलने दीजिए। ...(व्यवधान)... आप सुनने की पेशेंस कीजिए। ...(व्यवधान)... हम भी बतायेंगे कि 40 साल में आपने क्या-क्या किया है। ...(व्यवधान)...

श्री सुरेश पचौरी: सभापति महोदय, प्रश्न सरकार से, मंत्री से किया जा रहा है या पूरे सदन से किया जा रहा है। ...(व्यवधान)...

MR. CHAIRMAN: Please, please ...(*Interruptions*)... Nothing else will go on record, except Rajkumar...(*Interruptions*)

DR. ALLADI P. RAJKUMAR: सुरेश जी ...(व्यवधान)... मुख्य मंत्री आये थे, कांग्रेस वालों ने उनको रोका। ...(व्यवधान)...This is the fate of the Congress (*Interruptions*)... Kindly listen to me...(*Interruptions*)

श्री सभापति: आप सवाल कीजिए। ...(व्यवधान)...

श्री सुरेश पचौरी: सर, यह परम्परा कायम हो रही है कि एक माननीय सदस्य दूसरे माननीय सदस्य से सवाल पूछ रहे हैं। ...(व्यवधान)...

DR. DASARI NARAYANA RAO: You did not allow ...(*Interruptions*)

SHRI C. RAMACHANDRAIAH: Can't you appreciate the development of the State? ...(*Interruptions*)...

MR. CHAIRMAN: Mr. Rajkumar, please put the question...(*Interruptions*)... Let the Member put the question...(*Interruptions*)...

DR. ALLADI P. RAJKUMAR: Sir, I am putting it. ...(*Interruptions*)... Let the House have order ...(*Interruptions*)...

MR. CHAIRMAN: You put the question. ..(*Interruptions*)...

DR. ALLADI P. RAJKUMAR: Sir, I want to know from the hon. Minister apart from Andhra Pradesh, which are the other States who have taken loans from the World Bank, IMF and other financial institutions...(*Interruptions*)...

MR. CHAIRMAN: Let the Minister reply.

SHRI YASHWANT SINHA: Sir, I don't think this should be a matter of any political debate. Sir, if I am allowed to use that expression, a very professional approach must be brought to bear upon such issues, because all of us in this House and outside are interested in the development of our country. The country will not develop in many areas, if the States do not come forward and contribute to that development. It is in that light of things that we have had this arrangement, not today, not yesterday, but for many many decades that multilateral agencies have been lending through the Government of India to the State Governments. The World Bank has been giving money, the ADB has also been giving money. The bilateral assistance which has been flowing, has also been going to the States. Even the Ministries of the Government of India, when they have a scheme, they are also implementing in the States. As my colleague, the Tourism Minister was pointing out, after all when he has a tourism concept that is also going to be a part of the development of the State. Therefore, I do not say that there should be any excitement about this matter.

Now, in regard to the question which has been asked, let me say to the House through you, Sir, that as far as DFID of UK is concerned, which gives only grants now and not loans and it has been going on since 1975. It is not a recent development. There are four States which they have picked up for special focus. They are: Andhra Pradesh, West Bengal, Orissa and Madhya Pradesh. Do you see any political pattern in this? There is no political pattern. (*Interruptions*)

MR. CHAIRMAN: Please, let the Minister reply.

SHRI YASHWANT SINHA: Similarly, the World Bank assistance for projects has gone to a very large number of States. It has gone across the board to a very large number of projects of the States. As far as the structural adjustments loan is concerned, or, a budgetary support loan is concerned, there are two programmes which are under implementation in the case of Gujarat and Madhya Pradesh, financed by the Asian Development Bank. In addition to Andhra Pradesh there is UP, which has received a structural adjustment loan. There is the Government of Karnataka, which we are promoting to get a

structural adjustment loan from the World Bank. So, as far as the Government of India is concerned, I would like to assure the House that irrespective of the political complexion of the Government of the State, the Government of India is promoting the interests of those States cutting across party lines, if we are convinced that that approach or structural adjustment facility is worthwhile and it should be promoted. That is the attitude that we have here.

SHRI PRANAB MUKHERJEE: Sir, the hon. Minister while replying to the questions have pointed out that these two assistances from the World Bank—IDRD and IDA—have been provided to facilitate a structural adjustment, improvement of the Government governance and also the improvement of the fiscal situations. Certain other States are also following. Because the time is short, I would like the hon. Finance Minister to let me know the following. We have a tendency of exposing a large number of projects for external assistance and thereafter we do not utilise the project assistance made available and we are to pay the commitment charges. I would like to know the progress in respect of these two particular projects, assistance of which you have received from the IBRD and IDA. I would also like to know whether you are satisfied with the pace of progress on the implementation of these two projects.

SHRI YASHWANT SINHA: Sir, in response to the very good question raised by Shri Pranab Mukherjee, I would like to say that there was a deadline of 31st of January by which deadline, the Government of Andhra Pradesh had to meet certain terms and conditions for this loan. They have complied with it. I have also been assured on checking up by the Government of Andhra Pradesh that the project profiles have been built up in the Budget of 2002-03 of the State Government. This has just started. We have just transferred the money of the last fiscal year to the Government of Andhra Pradesh, a sum of Rs. 1,600 and odd crores, which is what it constitutes, not Rs. 16,000 crores, as was the impression created. I would also like to assure the House, through you, Sir, that the utilisation of the loan has improved consistently over the years. We are making sure that the commitments which are made by the multilateral agencies, by the bilateral agencies, are implemented as quickly as possible. There are problems. Pranabbabu is fully aware of them. There are problems. But we are trying our best in consultation with the State Governments and the Ministries of the Government of India to ensure that the utilisation of these loans increases and we are able to implement those projects as quickly as possible.

MR. CHAIRMAN: Question Hour is over.